

ASSIGNED

AMENDED

Nº 46973

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUN 3 1983
 Returned to applicant for correction JUL 5 1983
 Corrected application filed AUG 25 1983
 Map filed AUG 25 1983 under 46969

The applicant Continental Gold, Inc.
Suite 101, 2002 N. Forbes Blvd.
P.O. Box 50726, of Tucson,
Street and No. or P.O. Box No. City or Town
Arizona 85703, hereby make S. application for permission to appropriate the public
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) Incorporated in the State of Nevada
 on September 06, 1972

1. The source of the proposed appropriation is Spring #7
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is 0.5 second-foot
One second-foot equals 448.83 gals. per min.
 (a) If stored in reservoir give number of acre-feet _____
3. The water to be used for Mining, Milling and Domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated: _____
 - (b) Stockwater, state number and kinds of animals to be watered: _____
 - (c) Other use (describe fully under "No. 12. Remarks" _____
 - (d) Power:
 - (1) Horsepower developed _____
 - (2) Point of return of water to stream _____
5. The water is to be diverted from its source at the following point: Within Lot No. 37 Sec. 7, T. 14 N.,
Describe as being within a 40-acre subdivision of public
R. 68 E., M.D.B.&M. from which the West ¼ corner of Section 7, T. 14 N.,
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
R. 68 E. bears South 59°09'33" West 1,922.95 feet
6. Place of use Within portions of W½ Sec. 1, Sec. 2, 3, 10, 11, 12, 13, 14, 15, N½
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
Sec. 22, N½ Sec. 23, and N½ Sec. 24 all within T. 14 N., R. 67 E.; and
within Sec. 7 and 18, T. 14 N., R. 68 E.
7. Use will begin about January 1st and end about December 31st, of each year.
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Developed spring, collection box or works,
State manner in which water is to be diverted, i.e. diversion structure, ditches and
distribution system and storage reservoir
flumes, drilled well with pump and motor, etc.
9. Estimated cost of works \$10,000.00

10. Estimated time required to construct works 4 years
If well completed, describe works.
11. Estimated time required to complete the application of water to beneficial use 7 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The applicant plans on using this application for makeup water for a
 placer gold washing plant. The probable plant capacity will be 500
 cubic yards/hr using 3000 gpm of makeup water and 3000 gpm of reclaimed
 (recycled) water for 10 hours/day, 5 days/week, 9 months/year, not to
 exceed 400 million gallons a year. This application is not intended to
 waive and prior permits or vested rights to the source.

By S/Ross E. de Lipkau
Ross E. de Lipkau, P.O. Box 2790
Reno, Nevada 89505

Compared bl/dcb pr/bc

Protested Pro. 8/31/83 by Lester and Linda Huckaley;
 Pro.withdrawn: see agmt. 11/1/83

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions: This permit is issued subject to all existing rights on the source. It is understood that the 0.5 c.f.s., herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to a beneficial use. A suitable measuring device must be installed and accurate measurements of the water placed to a beneficial use must be included in the proof of such use when filed. The State retains the right to regulate the use of the water herein granted at any and all times.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal, and local agencies.

This permit is subject to the condition that the permittee must ensure that wildlife which have customarily used such water will have access thereto, NRS 533.367.

This permit is issued subject to the agreement between Continental Gold, Inc.; Lester Vernon Huckaley and Linda Huckaley; and Billie R. Marriott dated November 1, 1983 attached hereto and made part hereof.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.5 cubic feet per second, but not to exceed 117.95 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before November 29, 1986

Proof of completion of work shall be filed before December 29, 1986

Application of water to beneficial use shall be made on or before November 29, 1989

Proof of the application of water to beneficial use shall be filed on or before December 29, 1989

Map in support of proof of beneficial use shall be filed on or before _____

Completion of work filed SEP 02 1986 IN TESTIMONY WHEREOF, I PETER G. MORROS,

Proof of beneficial use filed DEC 26 1989 State Engineer of Nevada, have hereunto set my hand and the seal of

my office, this 29th day of November,

Cultural map filed _____

Certificate No. 12667 Issued FEB 25 1991

A.D. 19 84

[Signature]
 State Engineer

AGREEMENT

This agreement is made and entered into this 1st day of November, 1983, between CONTINENTAL GOLD, INC. ("Continental"), LESTER VERNON HUCKALEY and LINDA HUCKALEY ("Huckaley"), and BILLIE R. MARRIOTT ("Marriott"),

RECITALS

1. Lester Vernon Huckaley filed Application 46790 with the Nevada State Engineer designating Huckaley Tunnel as a source.
2. Continental lodged a protest with the Nevada State Engineer against the granting of Application 46790.
3. Continental filed Applications 46969 - 46980, inclusive, and Applications 47191 and 47192 with the Nevada State Engineer.
4. Huckaley lodged protests with the Nevada State Engineer against Applications 46969 - 46980, inclusive. Huckaley has not lodged protests against Applications 47191 and 47192.
5. Marriott lodged a protest with the Nevada State Engineer against Application 46790.
6. The Nevada State Engineer, by and through members of his staff, conducted a field investigation on October 27, 1983. At the field investigation, the applicants, protestants, or their duly authorized representatives entered into an oral agreement. It is the intention of the parties hereto that this agreement shall represent their oral agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, the receipt of which is hereby acknowledged, the parties do agree as follows:

1. That by the execution of this agreement, the parties hereto do withdraw their respective protests.
2. That the Nevada State Engineer, in accordance with his customary procedure and process, may grant Applications 46969 - 46980, inclusive, which applications are owned by Continental with the express permit language stating that Continental shall not drill wells as a means of diversion. Applications 47191 and 47192 shall be processed by the Nevada State Engineer in his customary fashion.

Huckaley agrees not to lodge protests against such applications.

3. The Nevada State Engineer may grant Application 46790, with the express permit language stating that Huckaley cannot withdraw water below the surface level of the tunnel constituting the point of diversion (7,360 feet above MSL). (Pond Level) *L.V.H.* *S.H.* *NTE*

4. This agreement shall be binding upon the heirs, successors, and assigns of the parties.

Lester Vernon Huckaley
LESTER VERNON HUCKALEY

Linda Huckaley
LINDA HUCKALEY

CONTINENTAL GOLD, INC.

By *Henry T. Eyrich*
HENRY T. EYRICH
Its President

Billie R. Marriott
BILLIE R. MARRIOTT
By STEVE KOSANKE, AGENT

STATE OF NEVADA,)
COUNTY OF *White Pine*) ss.

On this *6th* day of *December*, 1983, personally appeared before me, a Notary Public, LESTER VERNON HUCKALEY and LINDA HUCKALEY, who acknowledged that they executed the foregoing instrument.

My commission expires:

Mary B. Wall
Notary Public

STATE OF NEVADA,)
COUNTY OF _____) ss.

On this *17th* day of November, 1983, personally appeared before me, a Notary Public, HENRY T. EYRICH, known to be the President of CONTINENTAL GOLD, INC. who acknowledged to me that he executed the foregoing instrument for and on behalf of said corporation.

My commission expires:
August 26, 1987

[Signature]
Notary Public

[Circular Notary Seal: MARY B. WALL, NOTARY PUBLIC, WHITE PINE COUNTY, NEVADA]

STATE OF NEVADA,)
COUNTY OF *White Pine*) ss.

On this *27th* day of November, 1983, personally appeared before me, a Notary Public, STEVE KOSANKE, who acknowledged that he executed the foregoing instrument as Agent for Billie R. Marriott.

My commission expires:

Karen D. Peper
Notary Public



